

Iowa Power Fund Board
Meeting Minutes January 14, 2009
Grand View College
Humphrey Center
Des Moines, Iowa

Call to Order:

Tom Wind, Vice Chair, called the meeting to order at 10:10 A.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
Voting Members			Ex-Officio Members		
Fred Hubbell, Chair	X		Gregory Geoffroy	X	
John Bilsten		X	Bill Giddings	MJ Dolan	
Peter Hemken	X		Kent Henning	X	
Patricia Higby	X		Senator Hubert Houser		X
Carrie LaSeur	X		Senator Roger Stewart	X	
Richard Leopold	Aaron		Rep. Nathan Reichert		X
John Norris	Joan		Rep. Chuck Soderberg		X
Bill Northey	X		Due Diligence Committee	Present	Present
Lucy Norton	X		Tom Barton	Franklin Codel	
Mike Tramontina	X		Ted Crosbie	Vern Gebhart	
Thomas Wind, V-Chair	X		Curt Hunter	Fred Hubbell	X
			Patricia Higby	Roya Stanley	X

OEI staff in attendance: Roya Stanley, Jennifer Wright, Brian Crowe, Mary Lewis, Jessica Zopf, Sean Bagniewski, Sherry James

Mr. Wind thanked Kent Henning, President of Grand View College, for hosting the Board meeting. Mr. Henning welcomed the board to Grand View's campus. He gave a brief history of Grand View and updated them on the recent Rasmussen Center construction.

Approval of Agenda:

Mr. Wind reported there were a few changes to the agenda: the contracts and item #12 (other business) would be completed before the lunch break and Mr. Askew would present to the board immediately after lunch, followed by the two full applications.

Action: Mr. Hemken moved, Ms. LaSeur seconded, to approve the agenda as amended. All members present voted "aye".

Approval of Minutes:

December 10, 2008 minutes – Ms. LaSeur asked for more written details in the minutes regarding the discussion on the Energy Plan. Ms. Wright reported there were several staff members taking detailed notes of the conversation at the meeting in addition to Ben Banowetz from SPPG and more detailed notes were available in the OEI office, if requested.

Action: Ms. LaSeur moved, Mr. Hubbell seconded, to amend the December 10, 2008 minutes to include a sentence stating more details of the Plan discussion were available at OEI. All members present voted “aye”.

December 23, 2008 minutes – Sherry James reported after conversation with Melanie Johnson, DED’s legal counsel, the wording regarding “awards” in the action items should be changed to “contract”. Ms. Johnson reported the board takes two actions: approve an award which is approving the term sheet; and approve the final contract which is approving the final negotiated contract; one of the conditions of an award.

Action: Ms. Norton moved, Mr. Hemken seconded, to correct the wording from “award” to “contract”. All members present voted “aye”.

Action: Ms. Hemken moved, Ms. Norton seconded, to approve the amended December 23, 2008 Power Fund board minutes. All members present voted “aye”.

Chair’s Remarks:

Chair Fred Hubbell thanked Mr. Wind for chairing the meeting in his physical absence. Mr. Hubbell participated via conference call.

Mr. Wind thanked the staff and Planning committee for the finalizing of the Energy Plan. He reported the 2008 Plan accomplished his goals of being easy for casual readers to capture the message through captions and pictures, and also was more detailed for those that fully read the Plan. He reported he has some new ideas for next year and would start on the 2009 Plan in the near future.

Director’s Remarks:

Director Roy Stanley reported she also wished to thank the Board and staff for working on the Plan. She reported staff has been busy in conversation with Ms. Johnson, and other DED staff in finalizing contracts. Ms. Stanley reported 14 contracts were completed in 2008, two contracts would be presented to the board at today’s meeting and two more contracts are expected to be ready to present at the February board meeting.

Ms. Stanley reported the 2009 legislative session started on Monday, January 12, and she has already presented to the Economic Growth Senate committee on the summary of power fund projects awarded, the recently submitted Energy Plan and an update on OEI. With the conversations regarding the federal stimulus package some of the projects submitted through the Power Fund process via preapplications and applications could qualify for funding. Three different groups have requested a list of potential projects that could be ready to go in 120 days. There have been additional conversations regarding community energy programs. There will be detailed information posted on the website and phone calls

with stakeholders to assist in getting the word distributed that applications are continuing to be accepted and projects are considered to be considered.

Public Comments:

There were no public comments.

Review of Budget:

Director Stanley reviewed the Power Fund Balance Summary, showing an ending balance for 2009 of \$3,148,573. She reported this was all of the expenses, operations, and the 1.5% budget reduction mandated by the Governor. There was discussion regarding ongoing negotiations with anticipation of receiving this year's appropriation. It is possible the State Energy Office (OEI) would have some federal funding by the beginning of FY 2010. There was further discussion regarding applicants being willing to accept partial payment of a multiyear project with the understanding that the contract was subject to funding availability.

Mr. Wind requested a list of all of the projects that DDC had rejected. Director Stanley reported that some of the projects that DDC had rejected had been included in the list of potential projects for federal funding as they were beneficial, cutting edge projects; just possibly not appropriate for the Power Fund.

Mr. Hubbell requested an update on POET and TPI contracts. Ms. Johnson reported there had been recent discussion with POET's attorney and lobbyist with some minor concerns and interests. A red-lined contract has been returned. The DED and DOE contracts with POET have not been finalized and the three contracts needed to coordinate language. Ms. Johnson reported there has been an exchange of communications with TPI and it appears the contract could be presented to the Board for action at the February board meeting.

Mr. Crowe reported the Vertical Wind project is ready to go to negotiations. The negotiating committee has worked with Green Plains and staff is moving forward to develop a term sheet.

Mr. Crowe reported OEI staff is continuing to work with Maharishi University Management regarding more thorough explanation to some of the questions from the technical review.

Committee Reports:

Administrative Rules: Ms. LaSeur reported the Administrative Rules committee met to review the rules that were revised to incorporate the changes made in the 2008 legislative session.

Action: Ms. LaSeur moved, Mr. Hemken seconded, to accept the revised administrative rules and file them as "Noticed". All members present voted "aye".

Ms. Higby reported she questioned amending the administrative rules to allow the Iowa Power Fund Board the right to post a Request for Proposals (RFP). Ms. Pottorff reported the OEI has the ability to issue RFP's through the state's Department of Administrative Services (DAS). There are laws, rules and procedures in place and it was her opinion that it was not necessary for the Board to have that authority in addition to the office. Ms. Pottorff reported it was her recommendation to use the system as it already exists.

There was discussion regarding GEMS (Grants Enterprise Management System). In the future, this website will allow Iowans an opportunity to apply for the state agency's grants and will be an excellent source of notifying the general public regarding Power Fund opportunities.

Due Diligence: Director Stanley reported the DDC met on December 15th for their joint November/December meeting. There were some pre-applications that have been invited to submit full applications and a couple of full applications will present to the board at this meeting. She reported it was expected to have 3-4 full applications presented at the February board meeting.

Mr. Crowe reported he would send a pie chart of funds to the board showing what categories the funding was credited under.

Contracts

#09-IPF-12 – City of Fairfield

Action: Ms. Conrad moved, Ms. LaSeur seconded, to approve the Contract for the City of Fairfield for \$80,000 as presented. A roll call voted resulted as follows: A roll call vote resulted as follows: Hemken, yes; Higby, yes; Norton, yes; LaSeur, yes; Brees, yes; Conrad, yes; Wind, yes; Hubbell, yes. Motion carried.

#09-IPF-13 – Iowa Stored Energy Plant Agency

Action: Mr. Hemken moved, Mr. Hubbell seconded, to approve the Contract for the Iowa Stored Energy Plant Agency for \$3,200,000 as presented. A roll call vote resulted as follows: Hemken, yes; Higby, yes; Wind, abstain; Norton, yes; LaSeur, yes; Brees, yes; Conrad, yes; Hubbell, yes. Motion carried.

Other Business:

Mr. Wind reported he was beginning to think of changes to the Energy Plan for 2009. There was discussion regarding contracting for the development of the Plan. It was a consensus that it might be important to prepare a market research report to show trends, but they didn't feel it was necessary to contract for the creating of the Plan.

There was discussion regarding identifying existing plans and doing a crosswalk to determine what is different in the plans and what things needed to be included in the plans that are not. This would be an integrated approach to pull all of the plans together to present the same message.

Mr. Hubbell requested to have the board engaged in the process of the Plan earlier than the past year and requested a written full draft of the Plan be available for the board's review no later than November to allow more time to review the Plan. The revised Plan would then be approved at the December meeting and presented to the Governor by the December 14 deadline.

There was discussion on what the legislative package for OEI would include. Director Stanley reported no bills had been submitted and there was much discussion yet to be completed.

Mr. John Askew, Regional Administrator for the United States Environmental Protection Agency spoke to the Board. He reported that this board, created by the state of Iowa, has had a big impact, not only in energy independence, but also about the future of the state of Iowa. He expressed that this region is known as an agriculture and biofuels region, but will be very quickly known for agriculture, biofuels, wind, and energy independence. Later, Mr. Askew continued the discussion and highlighted the importance of the Power Fund and its work in linking energy decisions with the environment, economy, and energy independence.

Full Applications:

Mr. Wind reported there were two full applications to be presented to the board for consideration. He reminded the board members they needed to vote “yes, to negotiate”; “yes, to table”; or “no”.

08-08-1145 Plug-In Hybrid Electric Vehicle (PHEV)

Mr. Crowe reported this project includes the purchase and retrofit of a standard hybrid electric vehicle (HEV) so that it can be plugged in to a standard electrical outlet. They want to test and monitor the performance of a Plug-In Hybrid Electric Vehicle (PHEV) to determine the performance levels for the climate and then also assess the viability of converting internal combustion engine (ICE) fleets to PHEV.

A roll call vote resulted as follows: Hubbell, yes to negotiate; Hemken, yes to negotiate; Higby, yes to negotiate; LaSeur, yes to negotiate; Brees, yes to negotiate; Conrad, yes to negotiate; Northey, yes to negotiate; Norton, yes to negotiate; Tramontina, yes to negotiate; Wind, yes to negotiate.

Results: Yes, to negotiate. Negotiating team is LaSeur, Wind, Conrad and Hubbell.

08-08-1142 Iowa State University, Increasing the Use of Distillers Grains in Livestock Diets

Mr. Crowe reported this project proposes increasing the use of distillers grains in livestock diets by decreasing the impact of sulfate, oil, pigments, and antibiotics in cattle and poultry diets.

A roll call vote resulted as follows: Hubbell, yes to negotiate; Hemken, yes to negotiate; Higby, yes to negotiate; LaSeur, no; Brees, abstained; Conrad, yes to negotiate; Northey, yes to negotiate; Norton, yes to negotiate; Wind, yes to negotiate.

Results: yes to negotiate. Negotiating team is Norton, Northey, Hemken and Hubbell.

Application Committee: There was nothing to report.

Public Comments:

There was no public comment.

Adjournment:

There being no further business to discuss at this time, Mr. Northey moved, Mr. Brees seconded, the meeting be adjourned at 2:45 P.M. All members present voted “aye”. The next Power Fund Board meeting will be held on Wednesday, February 10 at 10:00 AM, at Grand View College.

Fred Hubbell, Board Chair

Sherry James, Recording Secretary